

(i) *Removing one item.* You must submit to BXA Form BXA-748P if you remove a single item from your SCL. Complete Blocks 1, 2, 3 and 4. Mark “Special Comprehensive License” in Block 5, and “change” in Block 8. Include your SCL number in Block 9 and state “delete ECCN”. Complete item (a) and (j) in Block 22, and Block 25.

(ii) *Removing more than one item.* You must submit to BXA Form BXA-748P and Form BXA-748P-A if you remove more than one item from your SCL. Complete Form BXA-748P according to the instructions in paragraph (a)(5)(i) of this section. Complete Form BXA-748P-A by including the “Application Control Number” (found on form BXA-748P) in Block 1, and completing items (a) and (j) in Block 22 for each item you are removing from your SCL.

(6) *Remove end-users from your SCL.* You must submit to BXA Form BXA-752 and Form BXA-748P-B if you remove end-users from consignee authorizations. After review by BXA, BXA will return to the SCL holder two validated copies of Form BXA-752 and Form BXA-748P-B, which will include any special conditions that may have been imposed. You must send one copy of Forms BXA-752 and BXA-748P to the relevant consignee.

(i) *Form BXA-752.* On Form BXA-752, complete Block 3.B., “Change an Existing Consignee”. Include the consignee number in Block 4. Include the SCL case number in Block 5. In Block 9, type “To remove an end-user”. Complete Blocks 10 and 11.

(ii) *Form BXA-748P-B.* On Form BXA-748P-B, include the SCL consignee number in Block 1. Complete Block 19.

(d) *Changes made by BXA.* If BXA revises or adds an ECCN to the CCL, or a country’s eligibility already covered by the SCL changes, BXA will publish the change in the FEDERAL REGISTER. The SCL holder is responsible for immediately complying with any changes to the scope of the SCL.

§ 752.11 Internal Control Programs.

(a) *Scope—(1) Introduction.* It is through Internal Control Programs (ICPs) that the SCL holder and the consignee assure that exports and reexports are not made contrary to the EAR. The elements of your ICP will re-

flect the complexity of the activities authorized under the SCL, the countries and items involved, and the relationship between the SCL holder and the approved consignees.

(2) *General requirements.* Prior to making any exports and reexports under an SCL, you and your consignees, when required, must implement an ICP that is designed to ensure compliance with the SCL and the EAR. This section provides an overview of the elements that comprise an ICP. You may obtain from BXA at the address found in § 752.17 of this part guidelines to assist you in developing an adequate ICP. You must submit with your application for an SCL a copy of your proposed ICP, along with any consignee ICPs, when required, incorporating the elements described in this section, as appropriate. BXA may require you to modify your ICP depending upon the activities, items, and destinations requested on your application for an SCL.

(b) *Requirements.* You may not make any shipments under an SCL until you and your consignees, when appropriate, implement all the elements of the required ICP. If there are elements that you consider inapplicable, you must explain the reasons for this determination at the time of application for an SCL. Existence of a properly constructed ICP will not relieve the SCL holder of liability for improper use or failure to comply with the requirements of the EAR.

(c) *Elements of an ICP.* Following is a list of ICP elements. The specific elements that should be included in your ICP depend upon the complexity of the activities authorized under your SCL, the countries and items involved, and the relationship between the SCL holder and the approved consignees.

(1) A clear statement of corporate policy communicated to all levels of the firm involved in exports and reexports, traffic, and related functions, emphasizing the importance of SCL compliance;

(2) Identification of positions (and maintenance of current list of individuals occupying the positions) in the SCL holder firm and consignee firms responsible for compliance with the requirements of the SCL procedure;

(3) A system for timely distribution to consignees and verification of receipt by consignees of the Denied Persons List (Supplement No. 2 to part 764 of the EAR) and other regulatory materials necessary to ensure compliance;

(4) A system for screening items, training and servicing transactions against Denied Persons List (Supplement No. 2 to part 764 of the EAR) and any relevant updates to the Denied Persons List;

(5) A system for assuring compliance with items and destination restrictions, including controls over reexports by consignees and direct exports to consignee customers;

(6) A compliance review program covering the SCL holder and extending to all consignees;

(7) A system for assuring compliance with controls on exports and reexports of nuclear items and to nuclear end-uses described in §§ 742.3 and 744.2 of the EAR;

(8) An on-going program for informing and educating employees responsible for processing transactions involving items received under the SCL about applicable regulations, limits, and restrictions of the SCL;

(9) A program for recordkeeping as required by the EAR;

(10) An order processing system that documents employee clearance of transactions in accordance with applicable elements of the company ICP;

(11) A system for monitoring in-transit shipments and shipments to bonded warehouses and free trade zones;

(12) A system for notifying BXA promptly if the SCL holder knows that a consignee is not in compliance with terms of the SCL;

(13) A system to screen against customers who are known to have, or are suspected of having, unauthorized dealings with specially designated regions and countries for which nonproliferation controls apply;

(i) The signs of potential diversion that you should take into consideration include, but are not limited to, the following:

(A) Your customer is little known (financial information unavailable from normal commercial sources and corporate principals unknown by trade sources);

(B) Your customer does not wish to use commonly available installation and maintenance services;

(C) Your customer is reluctant to provide end-use and end-user information;

(D) Your customer requests atypical payment terms or currencies;

(E) Customer order amounts, packaging, or delivery routing requirements do not correspond with normal industry practice.

(F) The performance/design characteristics of the items ordered are incompatible with customer's line of business or stated end-use;

(G) Your customer provides only a "P.O. Box" address or has facilities that appear inappropriate for the items ordered;

(H) Your customer's order is for parts known to be inappropriate, or for which the customer appears to have no legitimate need (e.g., there is no indication of prior authorized shipment of system for which the parts are sought); and

(I) Your customer is known to have, or is suspected of having, unauthorized dealings with parties and/or destinations in ineligible countries.

(ii) When any of the above characteristics have been identified, but through follow-up inquiries or investigation have not been satisfactorily resolved, the consignee should not transact any business with the customer under the SCL. Apply for a license according to part 748 of the EAR. You should explain the basis for the concern regarding the proposed customer, and state that you are an SCL consignee. Also, cite the SCL number, and your consignee number;

(14) A system for assuring compliance with controls over exports and reexports for missile-related end-uses and end-users described in § 744.3 of the EAR;

(15) A system for assuring compliance with control over exports and reexports of chemical precursors and biological agents and related items and end-uses described in §§ 742.2 and 744.4 of the EAR;

§ 752.12 Recordkeeping requirements.

(a) *SCL holder and consignees.* In addition to the recordkeeping requirements